

**TOWN COUNCIL WORK SESSION
STAFF MEMO
DECEMBER 7, 2021 COUNCIL WORK SESSION**

DATE: December 1, 2021

AGENDA ITEM NUMBER: 6

TOPIC: Short Term Rental (STR) Discussion – Limits on Short Term Rentals

BACKGROUND/TIME FRAME:

- Dillon Town Council and the other communities are concerned about the lack of workforce housing and the costs to rent long term.
- Dillon Planning and Zoning Commission has requested joint work sessions with Council with the first topic short term rentals.
- At the September 21 work session, Council directed staff to set aside one hour per work session to discuss short term rental issues, obtain public feedback and determine direction.
- At the October 5 work session Council gave staff direction to prepare ordinances for Council's consideration at a future meeting:
 - \$250 annual short term rental license fee to cover costs of compliance, hotline and staff time
 - Occupancy limits for each STR of 2 people per bedroom plus 2
 - Application questions to include rental of whole unit, partial unit, number of bedrooms/bathrooms in property, number of anticipated nights of rental and average nightly rental rate.
- At the October 19 work session Council gave staff direction to move forward with the following changes:
 - Institute interest and penalties on short term rental license fees of \$20 per and 1% per day for a thirty-day period. After the 30 days, the license is revoked for a period of one year.
 - Parking requirements of at least 1 parking space per unit. Staff will be working on an annual impact fee for parking spaces not provided in their parking lots. This will include one unit per bedroom for units with 2 or more bedrooms.
 - Council agreed to making the inspections available at any time with owner permission and including an affidavit that the owners must sign addressing life and health safety issues.
- At the November 2 work session Council requested additional information before deciding on an excise tax on lodging or STRs. Council requested additional information on taxes applied at Keystone Ski Area, Frisco and Silverthorne's final decision on excise taxes and a more specific list of items to be funded using the excise tax.
- At the November 16 work session Council reviewed the data on licenses across neighborhoods and condo complexes. There was discussion on possibilities of limitations, regulations and caps. No decisions were made and Council wanted to discuss further at the December 7 work session.

SUMMARY: This is a continuation of the November 16 work session discussion on limitations for short term rentals including caps. The information presented at the November 16 work session is presented below for your review. Staff would suggest that the Council discuss the goals and expectations Council would like to see from implementing limitations.

Other municipalities have discussed placing caps on the number of short-term rentals in their communities. Some options include:

- % cap on the entire town
- % cap on blocks or single-family home areas
- % cap on condominium complexes
- # of STRs allowed per block

At this time, only the Town of Breckenridge has placed a cap on their short-term rentals by only allowing 2,200 in town. They currently have more licenses issued than the 2,200 so they will be reducing the numbers through the sale of property or owners not renewing their licenses.

Currently the Town of Dillon has 357 short term rental licenses issued. Here is a breakdown of where the licenses are located:

<u>Complex/Street</u>	<u># of STR Licenses</u>	<u># of Properties</u>	<u>% of STRs</u>
Anchorage East	4	30	13.33%
Anchorage on the Lake	2	12	16.67%
Anchorage West	7	47	14.89%
Centennial Townhomes	4	18	22.22%
Chateau Claire	13	54	24.07%
Clearview TownHomes	2	9	22.22%
Coeur Du Lac	19	48	39.58%
Dillon Bay	16	45	35.56%
Dillon commons	3	7	42.86%
Dillon Pines	6	22	27.27%
Eagle View Estates	5	14	35.71%
East Bay	8	26	30.77%
LaRiva	10	35	28.57%
Lake Cliffe	37	120	30.83%
Lake Dillon Condos	20	30	66.67%
Lakeview	11	25	44.00%
Lodge at Lake Dillon	9	111	8.11%
Lookout Ridge	18	90	20.00%
Marina Place	38	96	39.58%
Point Dillon	11	32	34.38%
Rocky Point	4	9	44.44%
Sail Lofts	9	38	23.68%
Spinnaker	22	28	78.57%
Summit Yacht club	16	51	31.37%
Timberline	6	36	16.67%
Yacht Club	16	50	32.00%
SFH Tenderfoot	4	41	9.76%
SFH Gold Run	4	23	17.39%
SFH West Buffalo	3	23	13.04%
SFH E LaBonte	1	11	9.09%
SFH Corinthian Hil	18	97	18.56%
SFH Moorings	1	4	25.00%
SFH Oro Grande	5	30	16.67%
Anemone	1	1	100.00%
SFH W LaBonte	3	4	75.00%
Three Rivers	0	11	0.00%
Alpine Center	1	6	16.67%
Little Beaver	0	4	0.00%
Town Center	0	14	0.00%
Denver Water	0	2	0.00%
Town house	0	2	0.00%
	357	1356	26.33%

BUDGET IMPACT: N/A

QUESTIONS:

- What are Council's goals and expectations of implementing limitations on short term rentals?
- What limitations meet the goals and expectations?

DEPARTMENT HEAD RESPONSIBLE: Nathan Johnson, Town Manager